

Paddle8's Partnership with The Native Puts the Company on Growth Trajectory, with a Clear Path to Profitability in 2018, by Reengaging Key Clients, Cultivating New Gen Z Collectors, and Enhancing Its Technological Toolkit

November 2, 2018, New York – Paddle8, the New York based online auction platform, which works with the world's leading non-profit foundations, collectors, influencers, and brands reports that it is firmly on track to achieve profitability in the fourth quarter of 2018. This achievement is due to a successfully executed strategy that offers enhanced technological and digital marketing tools to the world's leading cultural organizations. The company has also been successful in engaging Gen Z and Millennial collectors, a demographic who exhibit deep altruistic and cultural interests as part of their consumption decisions.

Paddle8 continues to expand its footprint and market share as well as amplify its sales through a strategic partnership with The Native SA, who acquired a 15% ownership interest in P8H Inc (the owner of Paddle8 business and brand) in December 2017. The Native Media Inc. and Blockchain Lab SA, The Native's 100% owned content marketing and technology subsidiaries, are providing Paddle8 with a suite of digital marketing and product development services, which have resulted in a material and positive impact on Paddle8's performance this year.

Paddle8's Bestsellers



Image Credits: (L to R):

Jonas Wood, *Untitled (Amsterdam)*, 1999, oil on canvas.

Kaws, *4 Foot Dissected Companion (Black)*, 2009, fiber reinforced vinyl.

Throughout 2018, Paddle8 has realized a 21% growth in revenue compared to 2017, solidifying the Company's return to an aggressive growth profile after experiencing a plateau due to a series of ownership changes from 2016 to 2018. In the first ten months of 2018, Paddle8 raised more than \$10 million for its charity and foundation clients through online auctions.

"The investment and strategic competencies of The Native SA have yielded transformational benefits to Paddle8. The Group's digital and technological expertise has helped bolster the Paddle8 brand and reestablish the respect and engagement of major foundations and influencers. We have also seen a significant growth in traction with affluent Millennial and Gen Z consumers," commented Alexander Gilkes, the co-founder of Paddle8 and Chief Executive Officer of The Native SA.

Paddle8 has reestablished their position as the partner of choice for benefit clients, collaborating with more than 350 organizations worldwide to help bolster their fundraising efforts. New clients include The Walker Art Center, Human Rights Campaign, Fundacion AMA, National Coalitions Against Censorship, Dallas Contemporary, HepCTrust and Learn + Skate, among others. Paddle8 has also welcomed back former clients, including RxArt, The Skateroom, ARTcetera, Ballroom Marfa, BRIC Arts, the Print Center and The Kitchen among others.

In addition to the significant growth in its benefit auction business, Paddle8 has also seen substantial gains in key curated auction franchises. In particular, Paddle8's Street Art franchise has achieved a 46% increase in sales and 18% increase in gross margin compared to the same period of 2017, with an average sell-through-rate of 89% for the entire year.

"While we are midway through our turnaround of Paddle8, we are already seeing tangible positive results from our new business strategy, which is focused on targeting Gen Z collectors, by offering a broader selection of product and collectibles categories. Furthermore a client-centric approach for our benefit auction clients has proved compelling, as they are keen to reach a younger, tech-savvy collector base," commented Izabela Depczyk, the Founder of The Native Media, who is leading on the strategic growth and market expansion of Paddle8.

The Native SA is on schedule to consolidate its control of Paddle8 before May 6th 2019 with the exact consolidation date due to be communicated later this year.

About The Native SA

The Native SA is a Swiss-listed (NTIV: SWX, www.thenative.ch) international technology and media company that services corporate clients around the world with the best-in-class e-commerce, data analytics and blockchain technologies, payment services, customer support, and content & digital marketing.

For more information e-mail to investors@thenative.ch or visit www.thenative.ch.